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Economic and Social Council

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Economic and environmental questions: sustainable development

Draft resolution submitted by the President of the Council, Ms. Marjatta Rasi (Finland), on the basis of informal consultations

Smooth transition strategy for countries graduating from the list of least developed countries

The Economic and Social Council,

Recalling General Assembly resolution 46/206 of 20 December 1991,

Recalling also Economic and Social Council decision 2004/299 of 23 July 2004,

Reconfirming Economic and Social Council resolutions 2000/34 of 28 July 2000, 2001/43 of 24 October 2001, 2002/36 of 26 July 2002 and 2004/3 of 3 June 2004,

Taking note of the report of the Secretary-General on formulating a smooth transition strategy for countries graduating from least developed country status,[1]

1. *Re-emphasizes* the need for a smooth transition for countries graduating from the list of least developed countries;

2. *Reconfirms* that graduating from the list of least developed countries should not result in a disruption of development plans, programmes and projects;

3. *Decides* that the process to ensure a smooth transition of countries graduating from the list of least developed countries shall be as follows:

(a) When the Committee for Development Policy, in its triennial review of the list of least developed countries, identifies a country that meets the criteria for graduation for the first time, it will submit its findings to the Economic and Social Council;

(b) After a country has met the criteria for graduation for the first time, the Secretary-General of the United Nations will invite the Secretary-General of the

[1] E/2004/94.

04-57289 (E) 281004

United Nations Conference on Trade and Development to prepare a vulnerability profile[2] on the identified country, as described in paragraph 3 (a) above, to be taken into account by the Committee for Development Policy at its subsequent triennial review;

(c) At the subsequent triennial review by the Committee for Development Policy, referred to in paragraph 3 (b) above, the qualification for graduation of a country will be reviewed and, if reconfirmed, the Committee will submit a recommendation, in accordance with the established procedures, to the Economic and Social Council;

(d) The Economic and Social Council, in turn, will take action on the recommendation of the Committee for Development Policy at its first substantive session following the triennial review of the Committee and will transmit its decision to the General Assembly;

(e) Three years following the General Assembly's decision to take note of the recommendation of the Committee for Development Policy to graduate a country from the list of least developed countries, graduation will become effective; during the three-year period, the country will remain on the list of least developed countries and will maintain the advantages associated with membership on that list;

4. *Invites* the graduating country, in cooperation with its bilateral and multilateral development and trading partners and with the support of the United Nations system, to prepare, during the three-year period, a transition strategy to adjust to the phasing-out, over a period appropriate to the development situation of the country, of the advantages associated with its membership on the list of least developed countries, and to identify actions to be taken by the graduating country and its bilateral and multilateral development and trading partners to that end;

5. *Recommends* that the graduating country establish, in cooperation with its bilateral and multilateral development and trading partners, a consultative mechanism to facilitate the preparation of the transition strategy and the identification of the associated actions;

6. *Requests* the Administrator of the United Nations Development Programme, in his capacity as chair of the United Nations Development Group, to assist countries graduating from the list of least developed countries by providing, if requested, the support of the United Nations Resident Coordinator and the United Nations Country Team to the consultative mechanism;

7. *Urges* all development partners to support the implementation of the transition strategy and to avoid any abrupt reductions in either official development assistance or technical assistance provided to the graduated country;

8. *Invites* development and trading partners to consider extending to the graduated country trade preferences previously made available as a result of least developed country status or reducing them in a phased manner in order to avoid their abrupt reduction;

9. *Invites* all Members of the World Trade Organization to consider extending to a graduated country, as appropriate, the existing special and differential

[2] See *Official Records of the Economic and Social Council, 1999, Supplement No. 13* (E/1999/33), chap. III, para. 123.

treatment and exemptions available to least developed countries for a period appropriate to the development situation;

10. *Recommends* that the continued implementation of technical assistance programmes under the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries be considered for the graduated country over a period appropriate to the development situation of the country;

11. *Invites* the government of the graduated country to closely monitor, with the support of the consultative mechanism, the implementation of the transition strategy and to keep the Secretary-General informed on a regular basis;

12. *Requests* the Committee for Development Policy to continue to monitor the development progress of the graduated country as a complement to its triennial review of the list of least developed countries, with the assistance and support of other relevant entities, and to report to the Economic and Social Council;

13. *Recommends* to the General Assembly the adoption of the present resolution.